Offer made by International Finance Corporation

1625. SHRI MATANG SING : Will the Minister of FINANCE be pleased to state :

(a) whether the International Finance Corporation has offered to increase its exposure to $ 400 million to India during the current year;

(b) if so, what is the project-wise investment break up; and

(c) what are the details of the investment venture finalised and their impact ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) and (c) Do not arise.

Impact of Gold Import Scheme

1626. SHRI MATANG SING : Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 125 given in the Rajya Sabha on the 23rd February, 1993 and to state :

(a) whether Government have reviewed the working of gold import scheme and its impact on the domestic market;

(b) if so, what are the details thereof; and

(c) what is the impact of the scheme on smuggling of the yellow metal ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) The average domestic price of 10 grams of gold in January 1992 and January 1993 were Rs. 4910 (approx.) and Rs. 3996 (approx.) respectively. Such prices have generally shown a declining trend since the gold import scheme was introduced from 1-3-1992.

The quantity of smuggled gold seized after the introduction of the import scheme when compared with the seizures of previous financial years, as given below, show a declining trend. This is an indication that the smuggling of gold into the country is also on the decline :

Gold Seized (in M.T.)

1989–90	1990–91	1991–92	1892–93 (Upto December, 92)
6·0	5·0	4·6	1·9

Proposal for a Joint Venture in LIC

1627. SHRI SUSHILKUMAR SAMBHAJIRAO SHINDE : Will the Minister of FINANCE be pleased to state :

(a) whether Sun Life Insurance Corporation of U.K. has proposed a joint venture with Life Insurance Corporation of India;

(b) if so, what are the details of the proposal received ;

(c) what is the reaction of Government thereto; and

(d) details of action taken/proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) No, Sir.

(b) to (d) Do not arise.

Lapses in clearance of cheques by RBI

1628. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether Government are aware that regular clearing lapses by RBI have been causing losses to the nationalised and foreign banks in the country;

(b) if so, what ,on an average, is the daily receipt of cheques by the RBI from the nationalised and foreign banks in Delhi and the average number of cheques cleared by the RBI each day;

(c) what is the percentage of rise in the error rate so far during 1993 as compared to error rate rise in 1992 and what is the expected percentage of rise in the irreconciliable amount at the end of 1993 as against the irreconciliable amount in 1992; and

(d) the measures contemplated by Government to streamline the procedure to minimise the clearing lapses by the RBI ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) to (d) The information is being collected and will be laid on the Table of the House.

Fera Violations by ANZ Grindlays Bank

1629. SHRI KRISHNA KUMAR BIRLA : Will the Minister of FINANCE be pleased to state :

(a) whether the Directorate of Enforcement have revealed that ANZ Grindlays Bank was used to illegally funnel Rs. 66.4 crore out of the country in violation of the FERA;

(b) if so, the details of the FERA violation made by ANZ Grindlays Bank; and

(c) what steps Government proposed to contemplate against the bank for FERA violations ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY) : (a) to (c) Information is being collected and will be laid on the Table of the House.

Items included under selective credit control

1630. DR. YELAMANCHILI SIVAJI : Will the Minister of FINANCE be pleased to state :

(a) what are the items under selective credit control; and

(b) what are the guidelines to include them in this list ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) & (b) Advances for sensitive commodities are governed by the Selective Credit Control (SCC) exercised by Reserve Bank of India (RBI). The identified commodities, at present, are paddy/rice, wheat, pulses, other foodgrain, sugar, khandsari and gur, oilseeds, vegetable oils, kapas and cotton. Selective Credit Control is mechanism of credit control to achieve the appropriate distribution of credit to the various sectors of economy. The other objective is to prevent speculative holding of sensitive commodities with the help of bank credit. The main instruments of Selective Credit Control are :

(i) Minimum margin for lending against selected commodities;

(ii) ceilings on the levels of credit; and

(iii) charging of minimum rate of interest on advances against specified commodities.

While the first two instruments control the quantum of credit, the third instrument works as a leverage on the cost of credit. The above tools of control are operated and modified by Reserve Bank of India (RBI) from time to time in such a manner as is considered appropriate to meet particular situations or to achieve the desired directional flow of credit.

Non-Banking Finance Companies

1631. DR. YELAMANCHILI SIVAJI : Will the Minister of FINANCE be pleased to state :

(a) what is the number of non-banking companies which are accepting deposits;

(b) what are the guidelines in this regard;

(c) whether any of them violated the norms; and

(d) what are their deposits and total turn-over ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED) : (a) to (d) The information is being collected and will be laid on the Table of the House.